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THE CROW'S NEST PASS COAL COMPANY, LIMITED,
Fernie, British Columbia.

ANNUAL REPORT

For

YEAR ENDED DECEMBER 31, 1944.

BOARD OF DIRECTORS

H. P. Wilson
Erasmus C. Lindley
Thomas Balmer

F. D. Pratt
Welles V. Moot
T. J. Thomas

D. M. Mitchell

EXECUTIVE COMMITTEE

Thomas Balmer, Chairman

H. P. Wilson
T. J. Thomas

F. D. Pratt
D. M. Mitchell

OFFICERS

H. P. Wilson	President & General Manager
Thomas Balmer	First Vice President
F. D. Pratt	Second Vice President
Geo. H. Hess, Jr.	Comptroller
T. G. Ewart	Secretary
D. M. Mitchell	Assistant Secretary
A. L. McPhee	Treasurer
Welch, Anderson & Company	Auditors

TRANSFER AGENTS

The Toronto General Trusts Corporation, Toronto, Ont.
Bankers Trust Company, New York, N.Y.

REGISTRARS

National Trust Company, Limited, Toronto, Ont.
Central Hanover Bank & Trust Co., New York, N.Y.

Fernie, British Columbia.
March 31, 1945.

**TO THE SHAREHOLDERS OF
THE CROW'S NEST PASS COAL COMPANY, LIMITED :**

We submit herewith the Forty-eighth Annual Report of your Company for the year ended December 31, 1944, together with a Balance Sheet, duly certified by your Auditors, Welch, Anderson & Company, as well as a statement of Income and Surplus Account.

The profit from all sources after depreciation, depletion and amortization and provision for Income and Excess Profits Taxes amounted to \$158,664.89.

The net Capital Expenditures made by the Coal Company and its subsidiaries during the year amounted to \$91,115.57.

Distributions to shareholders during the year amounted to the sum of \$186,-354.00, which is equivalent to \$3.00 per share.

Coal mined amounted to 1,002,410 tons as compared with 960,704 tons in 1943.

Coke production was 84,354 tons as compared with 86,640 tons in 1943.

By Order of the Board of Directors,

H. P. WILSON,

President.

AUDITORS' REPORT AND CERTIFICATE

February 21st, 1945.

To the Shareholders,

**THE CROW'S NEST PASS COAL COMPANY, LIMITED,
Fernie, B.C.**

We report that we have audited the books and accounts of your Company for the year ended December 31st, 1944, and certify that we have obtained all the information and explanations required.

We confirmed the securities of the Company held for safe keeping by the Imperial Bank of Canada, Vancouver Branch, by certificate from the depository.

The cash and bank balances were verified, either by actual count or by certificates from the depositories.

The accounts receivable have not been verified by direct communication with the debtors.

Full provision has been made for Income and Excess Profits Taxes.

Subject to the foregoing, we certify that the accompanying Balance Sheet is, in our opinion, properly drawn so as to exhibit a true and correct view of the state of the Company's financial affairs, according to the best of our information, the explanations given us and as shown by the books of the Company.

WELCH, ANDERSON & COMPANY,
Chartered Accountants.

BALANCE SHEET — DECEMBER 31st, 1944.

Cash on hand and in bank	\$ 108,315.90	
Accounts receivable	525,586.17	
Coal, coke and by-products and mine supplies — at cost or useful values	381,973.58	
Bonds and shares (Market value \$580,325.00) — at cost	573,945.42	
	<u>1,589,821.07</u>	
Shares (no established market value) — nominal value		2.00
Imperial Bank of Canada — Dividend Account		
To provide for issued and outstanding dividend cheques — per contra		5,169.98
Account receivable — subsidiary — wholly owned company ..	26,945.50	
Shares of wholly owned companies	335,690.03	
	<u>362,635.53</u>	
Dominion of Canada — refundable excess profits taxes ..		28,185.12
Mines, real estate, buildings, plant and equipment, at cost, less amounts written off to reserves	8,229,572.30	
Less : Reserves for depletion, depreciation and amortization ..	4,453,785.66	
	<u>3,775,786.64</u>	
Deferred charges		10,756.93
	<u>TOTAL</u>	<u>\$5,772,357.27</u>

Accounts payable—including accrued wages	\$ 252,886.49
Accrued taxes and assessments.....	9,220.13
Account payable—to wholly owned subsidiary company	10,615.78
Income and excess profits taxes—remainder payable	54,173.75
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	326,896.15
Dividend cheques issued and outstanding—per contra	5,169.98
Reserve for refundable excess profits taxes	28,185.12
Capital :	
Authorized \$10,000,000.00 divided into 100,000 shares of the par value of \$100.00 each	
Subscribed and paid up	6,212,666.66
Deficit :	
December 31st, 1944, as shown on accompanying statement	800,560.64
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	5,412,106.02
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TOTAL	\$5,772,357.27

Signed on behalf of the Board : Thomas Balmer, Director.
F. D. Pratt, Director.

THE CROW'S NEST PASS COAL COMPANY, LIMITED

STATEMENT OF INCOME

For the Year Ended December 31st, 1944.

Profit on coal and coke operations		\$ 749,956.26
Less : Executive officers' salaries	\$ 42,378.68	
Counsel and legal fees	2,500.00	
Directors' fees	2,500.00	
Provision for depreciation and amortization of fixed assets; and depletion of mines	527,643.86	
		<u>575,022.54</u>
		174,933.72
OTHER INCOME :		
Interest and dividends on securities—including amor- tization of investments \$67.31	23,263.63	
Interest on bank balances, exchange, etc.—net	7,293.39	
Sundry income—net	55,587.20	
		<u>86,144.22</u>
		261,077.94
Provision for income taxes	46,085.87	
Provision for excess profits taxes	56,327.18	
		<u>102,413.05</u>
NET PROFIT FOR YEAR		<u><u>\$ 158,664.89</u></u>

STATEMENT OF DEFICIT

December 31st, 1944.

Distributions to shareholders to December 31st, 1939, from funds derived through creation of reserve for depletion per resolution of Directors	(x) \$1,340,632.20
Deduct : Undistributed profits to December 31st, 1943	567,760.67
Profit for year ended December 31st, 1944, as shown on Statement of Income	158,664.89
	<u>726,425.56</u>
Less : Dividends paid in 1944	186,354.00
	<u>540,071.56</u>
Deficit—December 31st, 1944—as shown on Balance Sheet	<u><u>\$ 800,560.64</u></u>

(x) This amount represents distributions paid to Shareholders under
Section 83, ss. 4 and 5 of the Dominion Companies Act.

